

## **Appliance Recycling Centers of America Launches Diversification Strategy and Enters Trillion Dollar Internet-of-Things (IoT) Market Through Acquisition of GeoTraq**

Minneapolis, Minn. (September 13, 2017) — In a move to diversify the company's offering beyond its current appliance recycling and retail capabilities, Appliance Recycling Centers of America (Nasdaq: ARCI), a leading provider of utility appliance recycling programs, announced today that it has acquired GeoTraq, a manufacturer of what is widely regarded as the world's smallest cellular tracking module designed specifically for the Internet of Things (IoT) market.

GeoTraq manufactures a new generation of cellular tracking module specifically designed to enable low cost, long-range communication between IoT devices (endpoints) deployed worldwide. The GeoTraq Cellular Module is widely believed to be the world's smallest cellular tracking device and the first in a new generation of cellular transceiver modules that will allow wireless device integrators to design and manufacture low cost, long range IoT products for the commercial, industrial and consumer markets. The GeoTraq acquisition allows ARCA the ability to deploy IoT devices throughout the world to locate, monitor and track the movement of inventory and other assets.

"As we have previously announced, we believe that expanding our offerings beyond our current business model will be highly valuable for shareholders, and therefore we will continue to seek such opportunities to enhance our product and service offerings," said Tony Isaac, CEO of ARCA. "The addition of the GeoTraq technology increases our offerings as we enter the IoT market. We believe this acquisition will benefit our overall efficiency and provide GeoTraq access to a large base of new customers."

According to various publicly available sources, the estimated worldwide market for the Internet of Things (IoT) is expected to reach \$1.29 trillion by 2020, with the majority spent on hardware, followed by services, software and connectivity. Further, according to these same sources, hardware spending may approach \$400 billion by 2020, with modules and sensors connecting endpoints to networks likely representing the bulk of hardware purchases.

"Since the founding of GeoTraq, our mission has been to provide an alternative to the wireless technologies currently used in IoT such as Bluetooth, LoRa, ZigBee, LPWAN and NB-IOT," said Gregg Sullivan, CEO and president of GeoTraq. "We are excited to join the ARCA team and to further enhance shareholder value through our unique and exciting product offering."

### **About ARCA**

ARCA's business components are uniquely positioned to work together to provide a full array of appliance-related services. ARCA's regional centers process appliances at end of life to remove environmentally damaging substances and produce material byproducts for recycling for utilities in the U.S. and Canada. Eighteen company-owned stores under the name ApplianceSmart, Inc.® sell new appliances directly to consumers and provide affordable ENERGY STAR® options for energy efficiency appliance replacement programs.

## **Forward Looking Statements**

This press release contains statements that are forward-looking statements as defined within the Private Securities Litigation Reform Act of 1995, including statements regarding ARCA's future success. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made, including the risks associated with the general economic conditions, competition in the retain and recycling industries and regulatory risks. Other factors that could cause operating and financial results to differ are described in ARCA's periodic reports filed with the Securities and Exchange Commission. Other risks may be detailed from time to time in reports to be filed with the SEC.

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